

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 AGRE-00 CIAE-00 DODE-00 PM-04

H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01

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TRSE-00 XMB-02 OPIC-03 LAB-04 EPG-02 SIL-01

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FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC 3178

INFO AMEMBASSY ERLIN

AMEMBASSY BELGRADE

AMEMBASSY BUDAPEST

AMEMBASSY MOSCOW

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY WARSAW

AMCONSUL MUNICH

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BELGRADE FOR AGATT SVEC

E.O. 11652: N/A

TAGS: EAGR, ECON, PINT, RO

SUBJ: CEAUSESCU'S SPEECH TO FIRST ANNUAL ROMANIAN CONGRESS OF
ALL AGRICULTURAL UNITS

REF: (A) BUCHAREST 1118 (B) 76 BUCHAREST 4118

1. SUMMARY. CEAUSESCU'S APRIL 18 KEYNOTE SPEECH HIGHLIGHTED
FIRST CONGRESS OF MANAGEMENT COUNCILS OF SOCIALIST
AGRICULTURAL UNITS AND OF ENTIRE PEASANTRY (APRIL 18-20).
WHICH WAS TYPICALLY LONG ON RHETORIC BUT FELL SHORT OF
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REAL REFORM. SPEECH RESTATED IMPRESSIVE 1976 PLAN RESULTS
AND FYP TARGETS, OFFERED DETAILED CRITIQUE OF AGRICULTURAL
SECTOR'S SHORTCOMINGS, AND TANTALIZED PEASANTRY WITH
HIGHER WAGES AND PENSIONS IN RETURN FOR TIGHTER CENTRAL
CONTROL OVER PRIVATE AGRICULTURAL ACTIVITIES. CONGRESS
WAS INSTITUTIONALIZED BY CREATION OF NATIONAL COUNCIL
OF AGRICULTURE, HEADED BY PRIME MINISTER, AS WELL AS

FIRST-EVER NATIONAL ORGANIZATION OF FARMERS FROM "NON-COOPERATIVE AREAS". END SUMMARY.

2. ORIGINALLY PLANNED AS CONGRESS OF AGRICULTURAL COOPERATIVES, AGRICULTURAL CONGRESS HELD APRIL 18-20 WAS FULL-BLOWN CONVOCATION OF 11,000 REPRESENTATIVES OF COOPERATIVES, STATE FARMS, STATE MECHANIZATION STATIONS, AND PRIVATE FARMERS. LOCAL PRESS REPORTED PRESENTATION OF OVER 550 DELEGATE SPEECHES IN "FESTIVE ATMOSPHERE," TIMING OF WHICH TOOK FULL ADVANTAGE OF ROMANIAN INDEPENDENCE CENTENNIAL AND 70TH ANNIVERSARY OF 1907 PEASANT UPRISING (11,000 FIGURE WAS DELIBERATELY SYMBOLIC OF NUMBER OF PEASANTS KILLED IN 1907 REVOLT). CONGRESS WAS HIGHLIGHTED BY OPENING CEAUSESCU ADDRESS WHICH STRESSED MAJOR STRIDES OF ROMANIAN AGRICULTURE UNDER SOCIALISM, ESPECIALLY 1976 PLAN RESULTS; TARGETED EVEN MORE AMBITIOUS AGRICULTURAL AND LIVESTOCK PRODUCTION FIGURES BY END OF CURRENT FYP; NOTED CONTINUING PROBLEMS OF AGRICULTURAL INEFFICIENCY, MANY OF WHICH WERE LAID TO INADEQUATE PRVISION OF TECHNOLOGY AND LACK OF EFFECTIVE ORGANIZATION OF SECTOR; AND ANNOUNCED SOON-TO-BE IMPLEMENTED MEASURES TO RAISE PEASANTS' LIVING STANDARDS AND IMPROVE AGRICULTURAL PRODUCTIVITY. ASSUME FULL TEXT AVAILABLE TO DEPARTMENT FROM FBIS.

3. PLAN FULFILLMENT: DESPITE VOLUMINOUS STATISTICS IN SPEECH'S PRINTED VERSION, 1976 ANNUAL PLAN FULFILLMENT INFORMATION REVEALED ONLY MINOR DISCREPANCIES WITH DATA ALREADY SUPPLIED--E.G., AUTUMN POTATOES, LIMITED OFFICIAL USE

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4.316 MILLION TONS IN SPEECH VS. 4.231 MILLION TONS IN PLAN COMMUNIQUE (REF A). WITH REGARD TO 1976-80 FYP, TARGETS GIVEN IN SPEECH EXCEED MAXIMUM IN TARGET RANGE FOR SEVERAL COMMODITIES AS PREVIOUSLY REPORTED (REF B): CEREALS--23-24 MILLION TONS; SUGAR BEETS---11.2 MILLION TONS; POTATOES--5 MILLION TONS; VEGATABLES--4.7 MILLION TONS; LAYING HENS--56.9 MILLION; IN ADDITION, THE FOLLOWING TARGETS WERE COMPUTED FROM PERCENTAGE INCREASES: MEAT (LIVE WEIGHT)--3.3 MILLION TONS; MILK--91.7 MILLION HL.; EGGS--8.2 BILLION; WOOL--57,000 TONS. CORN WAS SINGLED OUT AS MOST IMPORTANT CROP, AND CORN PRODUCTION INCREASE (30-40 PERCENT) WAS CLOSELY KEYED TO PLANNED INCREASES IN LIVESTOCK NUMBERS, WHICH IN PAST HAD SUFFERED FROM INADEQUATE FEED SOURCES.

4. CONTINUING PROBLEMS: CEAUSESCU NOTED THAT AGRICULTURE IN ROMANIA HAS SUFFERED FOR "15-29 YEARS" FROM NEGLECT AND UNDERESTIMATION OF ITS IMPORTANCE TO OVERALL ECONOMY. DESPITE RECORD 1976 ACHIEVEMENTS, AGRICULTURAL SECTOR STILL

HAD GREAT, UNDERUTILIZED RESOURCES AND POTENTIAL. WASTE AND INEFFICIENCY PERSISTED IN LAND USE, INVESTMENTS, UTILIZATION OF IRRIGATION, AND PRODUCTION METHODS. INCREASES IN LIVESTOCK NUMBERS HAD BEEN HAMPERED BY POOR BREEDING METHODS, INADEQUATE PROTEIN SOURCES, AND LOW-QUALITY FEEDS. COSTS HAD NOT BEEN RECOVERED FROM INVESTMENTS, AND MANY AGRICULTURAL UNITS WERE OPERATING IN THE RED. LOSSES HAD RESULTED FROM IMPROPER CROP HARVESTING, TRANSPORTATION, AND STORAGE. FOCUSING ON HUMAN FACTOR, CEAUSESCU CRITICIZED OVER-CONCENTRATION OF SOME 14,000 AGRICULTURAL SPECIALISTS IN BUCHAREST PLUS "SEVERAL THOUSANDS" MORE IN COUNTY CAPITALS. THESE SHOULD BE DISPERSED TO PRODUCTION UNITS, WHERE THEY COULD BE MORE USEFULLY EMPLOYED. AT THE SAME TIME, HE INSISTED THAT NON-PRODUCTIVE--I.E. ADMINISTRATIVE--PERSONNEL AT PRODUCTION UNITS HAD TO BE MINIMIZED AND THAT ALL WORKERS, EVEN INCLUDING FARM DIRECTOR AND CHIEF ENGINEER, ENGAGE IN PRODUCTIVE ACTIVITIES IN FIELDS DURING LIMITED OFFICIAL USE

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PEAK PERIODS. CEAUSESCU ALSO APPEALED TO YOUTH TO STAY IN VILLAGES RATHER THAN LEAVING FOR CITIES, SO AS TO IMPROVE QUALITY OF AGRICULTURAL WORK FORCE. (COMMENT: STATEMENT REPRESENTS FIRST SOLD PUBLIC INDICATION SINCE NOVEMBER 1976 WORK LAW, TYING PEASANTS MORE CLOSELY TO LAND, THAT AGRICULTURAL LABOR NEEDS MAY BE COMPETING WITH TRADITIONAL GOV DESIRE TO INCREASE INDUSTRIAL WORK FORCE.)

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INFO OCT-01 IO-13 ISO-00 AGRE-00 AID-05 CIAE-00
COME-00 EB-07 FRB-03 INR-07 NSAE-00 USIA-06
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FM AMEMBASSY BUCHAREST
TO SECSTATE WASHDC 3179

INFO AMEMBASSY ERLIN
AMEMBASSY BELGRADE
AMEMBASSY BUDAPEST
AMEMBASSY MOSCOW
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5. AGRICULTURAL LIVING STANDARDS: IN MOST REFORM-MINDED SECTION OF SPEECH, CEAUSESCU OFFERED NEW INCOME AND PENSION INCENTIVES TO AGRICULTURAL WORKERS. INCOMES ARE TO INCREASE 30 PERCENT FOR ALL AGRICULTURAL WORKERS DURING 1977-80 PERIOD, WITH COOPERATIVE FARMERS TO BE EARNING AVERAGE OF 1290 LEI/MONTH. RETIREMENT SYSTEM FOR COOPERATIVE FARMERS WILL BE REVAMPED, WITH STATE CONTRIBUTING 3.5 BILLION LEI IN 1977-80 PERIOD TO PENSION FUND. KICKER IS THAT STATE CONTRIBUTIONS TO INDIVIDUAL PENSIONS WILL BE KEYED TO VALUE TO PRODUCTS SOLD BY COOPERATIVE STO STATE. EXISTING PENSIONS ARE TO BE INCREASED BY 20 PERCENT, RESULTING IN 350-650 LEI/MONTH PENSIONS
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FOR COOPERATIVE FARMERS. CEAUSESCU ALSO ANNOUNCED EXTENSION OF STATE RETIREMENT SYSTEM TO PRIVATE FARMERS IN "NON-COOPERATIVE AREAS." IN RETURN FOR MONTHLY CONTRIBUTIONS BY INDIVIDUALS AND ALSO CONTINGENT ON VALUE OF PRODUCTS SOLD TO STATE, PENSIONS WILL AMOUNT TO 300-400 LEI/MONTH. ALL PRIVATE FARMERS OVER 70 YEARS OF AGE WHO BEGIN RETIREMENT CONTRIBUTIONS BY JULY 1977 WILL RECEIVE "OVER" 100 LEI/MONTH PENSION AFTER JANUARY 1978. AS ADDED INCENTIVE TO PROVATE SECTOR, CEAUSESCU ALSO PROPOSED THAT INCOME TAX BE REPLACED BY FIXED TAX ON LAND. APPROVED UNANIMOUSLY BY CONGRESS, DECISIONS HAVE BEEN PUBLISHED IN DRAFT FORM AND GRAND NATIONAL ASSEMBLY RATIFICATION IS EXPECTED BEFORE JULY 1.

6. ORGANIZATIONAL TIGHTENING: WHILE NOTING POSITIVE ROLES PLAYED BY STATE FARMS, AGRICULTURAL MECHANIZATION UNITS, AND INTERCOOPERATIVE COUNCILS, CEAUSESCU STRESSED THAT THESE BODIES WOULD BE EXPECTED TO BE EVEN MORE ACTIVE IN FUTURE IN ORGANIZING THEIR RESPECTIVE SECTIONS. SPECIAL ATTENTION, HOWEVER, WAS GIVEN TO PRIVATE FARMERS, WHO WERE TO BECOME BENEFICIARIES OF GREATER GOR TECHNICAL AND MARKETING ASSISTANCE. ASSISTANCE TO HITHERTO NON-

ORGANIZED PEASANTS WOULD BE MADE CONTINGENT ON THEIR BECOMING AFFILIATED WITH NEWLY-CREATED LOCAL "ASSOCIATIONS." AMONG AOTHER FUNCTIONS, ASSOCIATIONS WOULD SELL OR HIRE OUT FARM MACHINERY TO THEIR MEMBERS. THE CONGRESS ITSELF REFLECTED THIS ORGANIZATIONAL EMPHASIS, AS UNDER ITS UMBRELLA SIMULTANEOUS MEETINGS TOOK PLACE OF NATIONAL UNION OF AGRICULTURAL PRODUCTION COOPERATIVES (UNCAP), COUNCILS OF STATE AGRICULTURAL ENTERPRISES, COUNCILS OF AGRICULTURAL MECHANIZATION STATIONS, AND NEWLY-ESTABLISHED AGRICULTURAL WORKERS IN NON-COOPERATIVE AREAS. INSTITUTIONALIZATION OF PRIVATE FARMERS WAS CARRIED EVEN FURTHER WITH INCORPORATION OF LATTER BODY INTO SOCIALIST UNITY FRONT. CONCLUDING HIS ADDRESS, CEAUSESCU ANNOUNCED THAT AGRICULTURAL CONGRESS WOULD BE HELD LIMITED OFFICIAL USE

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EVERY FIVE YEARS. IN INTERIM, NEW NATIONAL COUNCIL OF AGRICULTURE WOULD MEET ONCE OR TWICE A YEAR. COUNCIL PRESIDENT IS TO BE PRIME MINISTER (MANESCU) AND VICE PRESIDENTS ARE TO BE AGRICULTURE MINISTER (MICULESCU) AND HEAD OF UNCAP (DASCALESCU).

7. COMMENT: OVERLOOKING TYPICALLY HEAVY DOSE OF RHETORIC AND EXHORTATION, BOTH ORGANIZATION OF CONGRES ITSELF AND POLICIES ANNOUNCED BY CEAUSESCU PROVIDE SPECULATIVE GRIST FOR FUTURE OF AGRICULTURAL SECTOR. CONGRESS WAS A "FIRST" IN THAT IT UNITED REPRESENTATIVES OF ALL SEGMENTS OF AGRICULTURE UNDER SINGLE ROOF, AND STRONG IMPRESSION WAS GIVEN THAT AGRICULTURE WOULD BE GIVEN COMPARATIVELY MORE WEIGHT IN FUTURE ECONOMIC PLANNING. OVERALL EMPHASIS OF CEAUSESCU SPEECH WAS OLD BUT LARGELY VALID SAW THAT GREATER PRODUCTION AND EFFICIENCY WOULD COME ABOUT ONLY THROUGH MORE EFFECTIVE ORGANIZATION OF SECTORAL ACTIVITIES. SPECIAL TARGET OF CEAUSESCU'S ORGANIZATIONAL DRIVE APPEARS TO BE HITHERTO INDEPENDENT, BACKWARD, MORE-OR-LESS PHYSICALLY ISOLATED PEASNAT PROPRIETOR. WITH OBVIOUS POLITICAL AS WELL AS ECONOMIC MOTIVATIONS, REGIME HAS OFFERED PRIVATE FARMER VARIETY OF MATERIAL INCENTIVES TO ENTER ASSOCIATION WHICH WILL DELIMIT HIS ACTIVITIES AT THE SAME TIME THAT IT SEEKS TO PROMOTE GREATER PRODUCTIVITY. SIZE OF INCENTIVES IS MINIMAL AT BEST, HOWEVER, DEMONSTRATING THAT GOR WAGE POLICY HAS NOT UNDERGONE ANY FUNDAMENTAL RETHINKING. REGIME CONTINUES TO RELY ON ORGANIZATION AND RHETORIC AS ITS PRINCIPAL TOOLS TO IMPROVE AGRICULTURAL PRODUCTIVITY, AND WE MUST SHARE SKEPTICISM AND SENSE OF DEJA VU EXPRESSED BY SEVERAL ROMANIAN SOURCES IN REACTION TO CEAUSESCU'S SPEECH. SERIOUS EFFORTS HAVE BEEN MADE IN PAST TO ORGANIZE PRIVATE SECTOR, BUT THESE HAVE BEEN SUCCESSFULLY RESISTED BY FIERCELY INDEPENDENT,

BACKWARD PEASANTS. THERE IS LITTLE EVIDENCE THAT THE
CONGRESS HERALDS ANY SHIFT IN PHYSICAL RESOURCES AVAILABLE
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TO AGRICULTURE UNDER THE FYP. IN RECENT MEETINGS WITH
FIRST SECRETARIES OF JUDETS--BIHOR, CLUJ, BOTOSANI, IASI--
AMBASSADOR WAS NOT GIVEN IMPRESSION THERE WOULD NOW BE ANY
SIGNIFICANT REORDERING OF PRIORITIES FROM INDUSTRY TO
AGRICULTURE. CHIEF PRIORITY REMAINS RAPID INDUSTRIALIZATION
WITH ONLY PASSING CONCERN TO EFFECT ON AGRICULTURE.
BARNES

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Message Attributes

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Disposition Date: 22 May 2009
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